



House of Representatives

General Assembly

File No. 363

January Session, 2009

House Bill No. 6620

House of Representatives, March 31, 2009

The Committee on Transportation reported through REP. GUERRERA of the 29th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CREATING A PROCEDURE FOR SELF-STORAGE FACILITIES TO AUCTION AUTOMOBILES ABANDONED AT SUCH FACILITIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 42-159 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2009*):

3 As used in this chapter:

4 (1) "Self-service storage facility" means any real property designed
5 and used for the renting or leasing of individual self-contained units of
6 storage space to occupants who are to have access to such units for
7 storing and removing personal property only, and not for residential
8 purposes. A self-service storage facility and an owner are not a
9 warehouse, as defined in section 42a-7-102, except that if an owner
10 issues a document of title, as defined in section 42a-1-201, for the
11 personal property stored, the owner and the occupant are subject to
12 the provisions of article 7 of the Uniform Commercial Code and the

13 provisions of this chapter do not apply.

14 (2) "Owner" means the owner, operator, lessor, or sublessor of a self-
15 service storage facility, his agent, or any other person authorized by
16 him to manage the facility or to receive rent from an occupant under a
17 rental agreement.

18 (3) "Occupant" means a person, or the sublessee, successor, or
19 assignee of a person, entitled to the use of a storage unit at a self-
20 service storage facility under a rental agreement, to the exclusion of
21 others.

22 (4) "Rental agreement" means any written agreement or lease that
23 establishes or modifies the terms, conditions, rules or any other
24 provisions concerning the use and occupancy of a unit in a self-service
25 storage facility.

26 (5) "Personal property" means movable property not affixed to land
27 and includes, but is not limited to, goods, merchandise, [and]
28 household items and motor vehicles.

29 (6) "Last known address" means that address provided by the
30 occupant in the latest rental agreement or the address provided by the
31 occupant in a subsequent written notice of a change of address.

32 (7) "Default" means failure to perform any obligation or duty
33 imposed by a rental agreement or by this chapter.

34 Sec. 2. Section 42-160 of the general statutes is repealed and the
35 following is substituted in lieu thereof (*Effective October 1, 2009*):

36 (a) The owner of a self-service storage facility shall have a lien upon
37 all personal property located at such facility for the amounts of any
38 rent, labor or other valid charges incurred in relation to such personal
39 property, for any valid expenses incurred in the necessary preservation
40 of such personal property and for any expenses reasonably incurred in
41 the sale or other disposition of such personal property pursuant to law.
42 Such lien attaches on the date of default by the occupant.

43 Notwithstanding the provisions of section 42a-9-333 such lien shall not
44 have priority over a lien or security interest which has attached or been
45 perfected prior to such default.

46 (b) If such personal property is a motor vehicle, the owner of a self-
47 service storage facility shall send a written notice to the Commissioner
48 of Motor Vehicles stating (1) the engine number and chassis number of
49 such motor vehicle, (2) the date such motor vehicle was left with the
50 owner of such storage facility, (3) the date of default by the occupant,
51 (4) the amount for which a lien is claimed, (5) the registration thereof if
52 any number plates are on the motor vehicle, and (6) the name of the
53 vehicle's owner or the name of the occupant who defaulted, and shall
54 enclose a fee of five dollars. Such notice shall be placed on file by the
55 Commissioner of Motor Vehicles and be open to public inspection. If
56 such motor vehicle is subject to a security interest, the commissioner,
57 within ten days of receipt of such notice, shall send the owner of such
58 self-service storage facility the name and address of any lienholder, as
59 recorded on the certificate of title. Within ten days of receipt of such
60 information concerning any lienholder, the owner of such self-service
61 storage facility shall send a written notice to such lienholder, by
62 postage paid registered or certified letter, return receipt requested,
63 stating that such motor vehicle (A) is being held by such facility owner,
64 and (B) has a lien attached pursuant to this chapter. Any sale of a
65 motor vehicle under the provisions of this section shall be void unless
66 the written notice to the commissioner required by this subsection has
67 been given.

This act shall take effect as follows and shall amend the following sections:

Section 1	October 1, 2009	42-159
Sec. 2	October 1, 2009	42-160

TRA *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 10 \$	FY 11 \$
Department of Motor Vehicles	TF - Cost	35,000	35,000
State Comptroller - Fringe Benefits ¹	TF - Cost	6,335	6,335

Note: TF=Transportation Fund

Municipal Impact: None

Explanation

There is an on-going cost of \$41,335 to the Department of Motor Vehicles to research, process and mail communications to lien holders of vehicles left in storage facilities. The DMV will require one-half full time position at a cost of \$25,000 plus fringes for processing notices. Additional costs of \$10,000 will be incurred by the DMV for equipment, supplies and mailing expenses.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

¹ The fringe benefit costs for state employees are budgeted centrally in the Miscellaneous Accounts administered by the Comptroller on an actual cost basis. The following is provided for estimated costs associated with additional personnel. The estimated non-pension fringe benefit rate as a percentage of payroll is 25.43%. Fringe benefit costs for new positions do not initially include pension costs as the state's pension contribution is based upon the 6/30/08 actuarial valuation for the State Employees Retirement System (SERS) which certifies the contribution for FY 10 and FY 11. Therefore, new positions will not impact the state's pension contribution until FY 12 after the next scheduled certification on 6/30/2010.

OLR Bill Analysis**HB 6620*****AN ACT CREATING A PROCEDURE FOR SELF-STORAGE FACILITIES TO AUCTION AUTOMOBILES ABANDONED AT SUCH FACILITIES.*****SUMMARY:**

By law, the owner of a self-service storage facility has a lien upon any personal property left in the facility by a renter who defaults on a rental agreement. The lien is for any rent, labor, or other valid charges in relation to the property; valid expenses incurred in its preservation; and reasonable costs for its sale or other disposition. The facility owner must follow certain specific procedures for, among other things, notifying to the defaulting property owner, advertising of the sale of the property, disposing of sale proceeds, and redeeming the property.

This bill expands the meaning of personal property to include motor vehicles left in the facility by a defaulting renter and establishes specific notice requirements relative to such vehicles.

EFFECTIVE DATE: October 1, 2009

SPECIFIC REQUIREMENTS FOR MOTOR VEHICLES

The bill requires the self-service storage facility owner to send a written notice to the motor vehicle commissioner stating the:

1. vehicle's engine and chassis number,
2. date it was left with the facility owner,
3. date of the facility occupant's default,
4. amount of the lien claimed,
5. vehicle registration number if it has one, and

6. vehicle owner's name or the name of the facility occupant who defaulted.

The facility owner must also enclose a \$5 fee with the notice. The commissioner must place the notice on file and make it available for public inspection. If the motor vehicle is subject to a security interest, the commissioner must send the lienholder's name and address as recorded on the title to the facility owner within 10 days of receiving the notice. Within 10 days of receiving this information, the facility owner must send written notice to the lienholder by postage paid registered or certified letter with return receipt. The lienholder notice must state that the vehicle is being held at the facility and has a lien attached to it pursuant to the bill. Any subsequent sale of the motor vehicle is void if the notice to the commissioner is not made.

COMMITTEE ACTION

Transportation Committee

Joint Favorable

Yea 36 Nay 0 (03/09/2009)